



General Assembly

February Session, 2012

Raised Bill No. 5511

LCO No. 2270

02270_____JUD

Referred to Committee on Judiciary

Introduced by:
(JUD)

***AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT AND
ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN
COMMON INTEREST OWNERSHIP COMMUNITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 47-261e of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2012*):

3 (a) The executive board, at least annually, shall adopt a proposed
4 budget for the common interest community for consideration by the
5 unit owners. Not later than thirty days after the adoption of a
6 proposed budget, the executive board shall provide to all unit owners
7 a summary of the budget, including a statement of the amount of any
8 reserves, and a statement of the basis on which such reserves are
9 calculated and funded. Simultaneously, the board shall set a date not
10 less than ten days or more than sixty days after providing the
11 summary for either a meeting of the unit owners or a vote by ballot
12 without a meeting to consider approval of the budget. If, at that
13 meeting or in the vote by ballot, a majority of [all] the unit owners
14 voting or any larger number specified in the declaration votes to reject
15 the budget, the budget shall be rejected. If, at that meeting or in the

16 vote by ballot, a majority of [all] the unit owners voting or any larger
17 number specified in the declaration does not vote to reject the budget,
18 the budget shall be approved. The absence of a quorum at such
19 meeting or participating in the vote by ballot shall not affect rejection
20 or approval of the budget. If a proposed budget is rejected, the budget
21 last approved by the unit owners continues until unit owners approve
22 a subsequent budget.

23 (b) The executive board, at any time, may propose a special
24 assessment. Not later than thirty days after adoption of a proposed
25 special assessment, the executive board shall provide to all unit owners
26 a summary of the proposed special assessment. Unless the declaration
27 or bylaws otherwise provide, if such special assessment, together with
28 all other special and emergency assessments proposed by the executive
29 board in the same calendar year, do not exceed fifteen per cent of the
30 association's last adopted periodic budget for that calendar year, the
31 special assessment is effective without approval of the unit owners.
32 Otherwise, the board shall set a date not less than ten days or more
33 than sixty days after providing the summary for either a meeting of the
34 unit owners or a vote by ballot without a meeting to consider approval
35 of the special assessment. If, at such meeting or in the balloting, a
36 majority of [all] the unit owners voting or any larger number specified
37 in the declaration votes to reject the special assessment, the special
38 assessment shall be rejected. If, at such meeting or in the balloting, a
39 majority of [all] the unit owners voting or any larger number specified
40 in the declaration does not vote to reject the special assessment, the
41 special assessment shall be approved. The absence of a quorum at such
42 meeting or participating in the vote by ballot shall not affect the
43 rejection or approval of the special assessment.

44 (c) If the executive board determines by a two-thirds vote that a
45 special assessment is necessary to respond to an emergency: (1) The
46 special assessment becomes effective immediately in accordance with
47 the terms of the vote; (2) notice of the emergency assessment must be
48 provided promptly to all unit owners; and (3) the executive board may

49 spend the funds paid on account of the emergency assessment only for
50 the purposes described in the vote.

51 (d) Notwithstanding any provision of the declaration or bylaws to
52 the contrary, at least fourteen days prior to entering into any loan
53 agreement on behalf of the association, the executive board shall (1)
54 disclose in a record to all unit owners the amount and terms of the loan
55 and the estimated effect of such loan on any common expense
56 assessment, and (2) afford the unit owners a reasonable opportunity to
57 submit comments in a record to the executive board with respect to
58 such loan.

59 (e) Unless prohibited or otherwise limited in the declaration, if the
60 executive board proposes to enter into a loan agreement on behalf of
61 the association and to assign its right to future income as security for
62 such loan pursuant to subdivision (14) of subsection (a) of section 47-
63 244, then, in addition to satisfying the requirements of subsection (d) of
64 this section, [unit owners of units to which at least a majority of the
65 votes in the association are allocated, or any larger percentage or
66 fraction stated in the declaration, must vote in favor of or agree to such
67 assignment] the board shall set a date not less than ten days or more
68 than sixty days after satisfying the requirements of subsection (d) of
69 this section, for either a meeting of the unit owners or a vote by ballot
70 without a meeting to consider approval of such assignment. If, at such
71 meeting or in the balloting, a majority of all unit owners or any larger
72 number specified in the declaration votes to reject the assignment, the
73 assignment shall be rejected. If, at such meeting or in the balloting, a
74 majority of all unit owners or any larger number specified in the
75 declaration does not vote to reject the assignment, the assignment shall
76 be approved. The absence of a quorum at such meeting or
77 participating in the vote by ballot shall not affect the rejection or
78 approval of the assignment.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	October 1, 2012	47-261e
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Statement of Purpose:

To: (1) Require that the budget and a special assessment of a common interest community be approved by a majority of the unit owners voting instead of a majority of all unit owners, (2) reform the voting process used in a common interest community concerning approval of an assignment of a right to future income when used as security in a loan agreement.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]